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Foreign CROPS AND MARKETS



VOLUME 61

NUMBER 14

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FOR RELEASE

MONDAY

OCTOBER 2, 1950

UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF FOREIGN AGRICULTURAL RELATIONS
WASHINGTON 25, D. C.

L A T E N E W S

An above-average 1951 coffee harvest in Brazil is still possible if the present rainy weather continues, but a bumper crop is no longer considered likely, according to a telegram dated September 26 from the American Embassy in Rio de Janeiro. Unusually dry weather has prevailed in the coffee areas of Central Brazil since May, but the drought was not considered critical until September when the first flowering of the coffee trees occurred. This situation was partially relieved by limited scattered rains from September 21 to 25.

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FOREIGN CROPS AND MARKETS

Published weekly to inform producers, processors, distributors and consumers on farm products of current developments abroad in the crop and livestock industries, foreign trends in prices and consumption of farm products, and world agricultural trade. Circulation of this periodical is free to those needing the information it contains in farming, business and professional operations. Issued by the Office of Foreign Agricultural Relations of the U. S. Department of Agriculture, Washington 25, D. C.

CANADIAN POTATO SURPLUS

The 1950 Canadian potato crop was estimated, on September 1, at 92.3 million bushels, the largest crop in Canada since 1924. It was 3 percent larger than the 1949 crop of 89.2 million bushels and slightly larger than the almost record 1948 crop of 92.1 million bushels. The United States also produced a large crop this year, estimated on September 1 at 420 million bushels. It is the fifth largest crop in United States history.

Because of large production, both Canada and the United States have had large potato surpluses in recent years. Also because of relatively high United States potato prices most of the Canadian exportable surplus was imported into the United States, adding to the United States domestic surplus. In 1949-50, 9.3 million bushels of Canadian potatoes were exported to the United States, according to Canadian reports, out of total Canadian exports of 11.6 million bushels. In 1948-49, 8.6 million bushels were exported to the United States of a total of 11.1 million bushels exported. More than half of the total export was seed potatoes, 7.7 million bushels in 1948-49 and 6.5 million in 1949-50.

With large crops in both the United States and Canada this season it might appear that the United States surplus problem would again be increased by Canadian imports. But there are new factors in the situation this year which may alleviate the problem somewhat.

One of these factors is lower potato prices in the United States and another is the shift of Canadian production from the Maritime Provinces into the central and western provinces.

Lower United States potato prices this season reflects the change in the Government price-support program as well as the large crop. The program this year applies only in areas where growers voted marketing agreements, but many important areas did not. Current wholesale potato prices in the New York markets are roughly \$1.00 per 100 pounds, less than comparable quotations of a year ago. If lower prices continue throughout the season Canadian potatoes will not be attracted as strongly as a year ago.

The over-all increase of 1950 production in Canada is distributed among the provinces in such a manner that Canadian exportable surpluses are more likely to be reduced than to be increased.

The 1950 potato production in the Maritime Provinces from which nearly all of Canada's potato exports originate, is estimated at 31.9 million bushels compared to 37.3 million in 1949, a decline of 5.4 million bushels. This means there will be 5.4 million bushels less potatoes to export from these provinces this season than last. On the other hand production in the central and western provinces is estimated

(Text continued on Page 318; tables follow)

Potatoes: Production, imports and supplies in the central and western provinces of Canada, average 1943-47, annual 1948-40

Season	Production	Inshipments from Maritimes	Imports ^{1/}	Domestic supply
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
<u>Average</u>				
1943-47	46,710	6,525	2,176	55,411
1948-49	59,642	5,657	574	65,873
1949-50	51,942	9,493	1,185	62,620
1950-51	60,392	-	-	-

^{1/} Imports for all of Canada, most of which are destined to the central and western provinces.

Potatoes: Production, exports and supplies in the Maritime Provinces of Canada, average 1943-47, annual 1948-50

Season	Production	Outship- ments to central & western provinces	Table stock	Seed stock	Exports ^{1/} Total	Domestic supply
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
<u>Average</u>						
1943-47	27,295	6,526	3,481	3,012	6,493	14,276
1948-49	32,458	5,657	3,445	7,655	11,100	15,701
1949-50	37,255	9,493	5,134	6,499	11,633	16,129
1950-51	31,880	-	-	-	-	-

^{1/} Exports for all of Canada, most of which originate in the Maritimes.

WORLD COTTON PRODUCTION DOWN; CONSUMPTION, STOCKS, AND TRADE HIGHER

World cotton production of 26,650,000 bales (of 500 pounds, except running bales for the United States) is indicated for 1950-51, according to preliminary reports from most of the major cotton-producing countries. This estimate is 4.4 million bales or 14 percent below the estimate of 31,050,000 bales for 1949-50. Normal growing conditions were assumed for Southern Hemisphere countries where the 1950-51 crops have not yet been planted, resulting in forecasts for increased production in most of them, particularly Brazil.

The sharp drop in world production is due to lower acreage and lower yields in the United States where production this year is expected to be only 9.7 million running bales against 15.9 million a year ago. Foreign production, estimated at 16,950,000 bales is 1,820,000 bales or 12 percent above that of a year ago. The increases (reported or estimated by this Office) for the major countries are: China 500,000 bales, Egypt 450,000, India 300,000, Brazil 215,000, Pakistan 150,000, and the Soviet Union 100,000.

World consumption, estimated at 2.92 million bales for 1949-50, is about 800,000 bales above that of a year ago. Consumption in the United States rose from 7,795,000 bales in 1948-49 to 8,870,000 in 1949-50, an increase of 1,075,000 bales. Consumption in European countries (excluding the Soviet Union) apparently increased by about 500,000 bales from 7.5 million to 8.0 million bales with most of the increase distributed among Western Germany, the United Kingdom, France, Belgium, and the Netherlands. Consumption in Asia as a whole was down by nearly 0.8 million bales from 8.1 million to 7.3 million. Sharp decreases of 500,000 bales in India to 3,250,000 and by an estimated 850,000 in China to 2,150,000 were partly offset by a sharp rise in Japan where consumption of about 1,060,000 bales was 350,000 higher than in 1948-49. Consumption in South America and Africa was about equal to or slightly above that of a year ago.

World cotton stocks as of July 31, 1950, are estimated at 16.4 million bales representing an increase of 1.5 million bales above the total reported for July 1949. Stocks in the United States, estimated at 6,700,000 bales (subject to revision), are about 1,400,000 higher than at the beginning of the 1949-50 season. Stocks in Western Europe reported at nearly 150,000 bales higher than a year ago with little change indicated for Eastern Europe for which no data are available. Stocks in Asia were down by about 200,000 bales. A decrease of 220,000 in India was partly offset by small increases in Turkey, Pakistan, and possibly China, where imports have been heavy in recent months. Stocks in South America are up by about 85,000 bales, consisting almost entirely of midseason stocks in Argentina and Peru, where movement of the crops were apparently a little later than they were a year ago.

(Continued on Page 318)

C O M M O D I T Y D E V E L O P M E N T S

TOBACCODENMARK'S TOBACCO IMPORTS UP; LEAF
PRODUCTION DOWN; CONSUMPTION INCREASES

Denmark's 1949 imports of leaf tobacco were 13 percent above the 1948 level, according to Harry LeBovit, Agricultural Attache, American Embassy, Copenhagen. The domestic production of leaf has declined sharply in recent years following a rapid increase during World War II. The consumption of tobacco products has increased rapidly during the postwar years.

The country's 1949 imports of leaf totaled 25.7 million pounds, compared with 20.0 million in 1948 and 18.9 million in 1947. The United States supplied 11.9 million pounds or 46 percent of the 1949 total. Brazil was the second most important source of supply, imports from that country totaling 4.5 million pounds. In addition to leaf, Denmark in 1949 imported 0.7 million pounds of manufactured tobacco products.

The availability of dollar exchange is the most important factor in determining the quantity of Danish imports of United States leaf. In the future Denmark is expected to rely upon the United States as the principal supplier of leaf suitable for the manufacture of cigarettes, pipe tobacco, chewing tobacco and snuff. During the postwar years, Denmark has imported substantial quantities of United States cigar leaf, but imports of this type from the United States are considered as an emergency measure and future cigar leaf imports will probably be obtained largely from Indonesia if production in that country increases to near the prewar level.

It is reported that more United States tobacco is needed to meet the demand for domestically manufactured products containing United States leaf and for rebuilding stocks which are low in comparison with prewar standards. However, any appreciable increase in imports would necessarily be closely connected with the availability of foreign exchange and interrelated with political and economic decisions reached in Denmark.

During World War II, Denmark's imports of leaf were far below domestic requirements. As a result tobacco production was encouraged in the country after 1938. Production was increased from 31,000 pounds in 1939 to 6.7 million pounds in 1945. After the end of the war, however, Danish leaf production fell off rapidly because of increasing overseas imports, and totaled only 77,000 pounds in 1949. The 1950 crop is expected to be even smaller than in 1949.

During the postwar period, Denmark's consumption of tobacco products has increased rapidly from the low level reached during the war years. Using 1939 as a base year, the 1948 consumption of cigarettes showed an increase of 39 percent, pipe tobacco and increase of 12 percent, but cigars decreased 28 percent. The consumption of snuff and chewing tobacco has shown little change. The total factory consumption of leaf in 1949 is estimated at 22.6 million pounds of which 7.9 million was used in the manufacture of cigars, 9.2 million in cigarettes, 4.6 million in pipe tobacco and 0.9 million in chewing tobacco and snuff.

Denmark has fostered the domestic tobacco industry by discouraging the importation of finished tobacco products. The industry is efficiently organized and able to meet the domestic demand, and its products compare favorably with those of other European countries.

At present there are about 8 cigarette factories, 20 pipe tobacco factories and about 300 cigar and cigarillo producing establishments operating in Denmark. Cigarette factories consume about 40 percent of the annual tobacco imports, pipe tobacco factories about 20 percent, cigar and cigarillo workshops about 30 percent and chewing tobacco and snuff workshops about 10 percent. Most tobacco factories and workshops are concentrated in Copenhagen, Fredericia, Haderslev and Aalborg. After 1945 the larger factories were modernized and new imported machinery replaced the old, obsolete equipment. Little machinery is utilized in most cigar and cigarillo establishments, the products still being turned out by hand.

CUBAN AGREEMENT WITH ITALY EXPECTED TO BOOST SALES OF CIGARS AND LEAF TOBACCO

The Cuban Ministry of State has reported a commercial agreement with Italy which for the first time permits the unrestricted sale of Cuban cigars in that country, according to the American Embassy in Havana. Furthermore, Italy has reportedly agreed to purchase annually \$100,000 worth of Cuban leaf tobacco.

In exchange for these trade concessions the Cuban Government has agreed to continue "most favored nation" treatment of imports from Italy.

TROPICAL PRODUCTS

ANOTHER LARGE CACAO CROP FORECAST FOR GOLD COAST

Unofficial estimates place the Gold Coast's 1950-51 main crop of cacao beans at 560 million pounds, approximately the same as the output from the 1949-50 main crop, according to R. F. Cleveland and Hyman Bloom of the American Consulate in Accra. If the next intermediate crop is a normal one, the total production for the Gold Coast in 1950-51 should reach about 580 million pounds, about the same as the 1949-50 production but smaller than the unusually large outturn of 623 million pounds in 1948-49.

The Gold Coast Cocoa Marketing Board announced that buying of the 1950-51 main crop cacao would begin on September 22. Buying of the intermediate crop cacao closed on August 24, at which time total purchases amounted to 3.1 million pounds. This is about 17 million pounds less than the official estimate of the intermediate harvest and indicates that the farmers have held out most of this crop in order to take advantage of the new high price of 70 shillings per load (about 16 cents a pound) announced for the 1950-51 main crop. The new price represents an increase of 55 percent over the old price of 45 shillings per load (about 10½ cents per pound).

In some Government circles, fear has been expressed that a temporary inflation will result from the new high price to be paid for the current crop. The 1948 riots were partly caused by the inability of local firms to keep up with the heavy demand for consumer goods brought on by the high price paid for cacao at that time. High prices, favoritism, and black marketeering were allegedly resorted to by the local business houses. In spite of the new high price of about 16 cents a pound granted, at least one farmers' organization, the Kwahu Branch of the Gold Coast's Farmers' Congress, has demanded a still higher price of 100 shillings per load (about 23 cents per pound).

Progress continues to be made in the eradication of Swollen Shoot disease by cutting out infected trees. Opposition by farmers has greatly lessened since the control program was made compulsory. The chief difficulty faced by the Gold Coast Cocoa Rehabilitation Department is that farmers prefer to await the arrival of the control teams and the payment of compensation. The result is that many minor outbreaks which the farmer himself could easily control have become major infected areas by the time the teams reach them.

Around 15 percent of the Gold Coast's cacao trees are reported to be infected with Swollen Shoot disease, which was not introduced into West Africa but has been present all the time in the forest. Swollen Shoot is caused by many different viruses. Some of these are comparatively mild, but others will kill a cacao tree within 2 years. The only effective control measure yet discovered is the cutting out of infected trees. Provided soil and climate are suitable, cacao can be replanted after diseased trees have been removed.

FATS AND OILS

BELGIAN CONGO INCREASING PALM CULTIVATION 1/

The long term trend of palm cultivation in the Congo is upward, according to G. D. LaMont, American Consul General, Leopoldville. The area under cultivation has increased from about 414,000 acres in 1946 to 484,000 acres in 1949. Some of the increase has been in native holdings but the sharpest increase in the past few years has been in the exploitation of natural palm areas by Europeans.

1/ A more extensive statement will soon be available from the Office of Foreign Agricultural Relations, U. S. Department of Agriculture, Washington 25, D. C.

In addition to acreage expansion, increased palm oil production is in prospect as a result of improved palm varieties. The Government has distributed some 25 million selected palm seeds which have a potential yield of more than 1 ton of palm oil per acre compared with less than one-half ton from the existing cultivated varieties.

Producers estimate current palm oil production at slightly more than 165,000 short tons a year, with production increasing at an annual rate of 5,500 tons. About 134,000 tons were exported in 1949, almost double the prewar average of 72,000 tons. In general no stocks are held in the Congo and the difference between exports and commercial production of some 30,000 tons represents the local consumption of palm oil for native food and in the manufacture of soap. The total volume of palm oil consumed by natives is much larger than the commercial supplies available to them because large quantities of this important food item are produced and consumed in the forests.

Production of palm kernels was estimated at 115,000 short tons in 1947 and 124,000 in 1948. Production in 1949 was believed to be somewhat higher, and because of currently favorable prices, 1950 production may reach 132,000 tons. About 33,000 tons of palm kernels a year are processed in the Congo and the output of palm kernel oil is around 16,500 tons. By the beginning of 1951, the milling capacity will be expanded to handle a maximum of 50,000 tons of kernels, with nearly 25,000 tons of oil. Most of the palm kernel oil is exported. Local usage by the soap industry does not exceed 500 to 600 tons a year.

The remainder of the palm kernels are exported, mainly to Belgium, Western Germany, and the Netherlands. These countries, along with the United States and Italy, have also taken most of the palm oil. The Union of South Africa has been a leading importer of palm kernel oil.

Leopoldville prices for palm products tend to follow the Antwerp market. The dollar equivalent of Antwerp prices per short ton in May averaged \$235.87 for 8.5 percent acidity palm oil in tankers, \$145.15 for palm kernels and \$308.45 for 8.5 percent acidity palm kernel oil in drums. The Leopoldville differentials under Antwerp averaged (converted basis) \$59.87, \$50.80, and \$54.43 per ton, respectively.

Current prices are exceptionally high and the demand is strong. A tax is now being assessed on exports of palm kernels to create a fund which will be paid out when export market prices fall.

CUBAN LARD IMPORTS SKYROCKET IN WAKE OF KOREAN CRISIS

The approximately 9,000 short tons of lard and rendered pork fat imported by Cuba during August--probably the largest volume on record for any single month--glutted the Cuban market, according to Harold S. Tewell, American Embassy, Havana. This tonnage, about 75 to 80 percent above normal requirements, caused a glut because it followed immediately the abnormally large volume of roughly 7,500 tons imported in July. The previous high monthly volume of lard imports in the last 4 years was in March 1949, the month following de-allocation of fats and oils by the International Emergency Food Committee and the removal of export controls by the United States.

The exceptionally large imports in both July and August are attributed to the bullish trend in the Chicago market following the outbreak of the Korean conflict. The Chicago quotation for loose lard in tankcars was only \$9.50 per 100 pounds on June 26, the day following the invasion of South Korea. However, Cuban importers joined in the race to purchase lard, thereby contributing to the rise which reached \$16.00 on July 27. The Cubans, like others in the market, hoped to profit as the price continued upward. After the price began to dip and finally stabilize at about \$14.25 by mid-August, local buying largely ceased. But the Cuban market already was overstocked.

Importers' losses by mid-September had been moderate. However, there was considerable uneasiness caused by the expectation that Chicago lard prices would decline still more with the increase in hog slaughter later this fall. Furthermore, local importers feared the results of the prospective easing in vegetable oil supplies in the near future.

INDONESIA'S PALM OIL, PALM KERNEL EXPORTS INCREASE

Palm oil and palm kernel exports from Indonesia during January-June 1950 amounted to 44,883 and 11,284 short tons, respectively, according to Willard O. Brown, Agricultural Attache, American Embassy, Jakarta. Oil exports represented an increase of about 7 percent over the 42,094-ton exports of January-June 1949 whereas the kernel exports were about 2 percent larger than the 11,088 tons of the comparable period of 1949.

All the palm oil and palm kernel exports originated in Sumatra. Almost 58 percent of the oil was sent to the Netherlands, 39 percent to the United Kingdom and 3 percent to Germany. About 73 percent of the kernels were shipped to the Netherlands and 27 percent to Germany.

The oil-palm producing area reportedly has increased only slightly since the beginning of the year. Production increased seasonally during the second quarter of the year and was believed to be about 25 percent above the level of 1949 production. Production may be expected to increase further, subject to limitations of labor supply. Reports indicate

that output has been affected by acute labor shortages on some oil palm estates and strikes on others.

Information regarding stocks of palm oil and palm kernels is not available, but in view of current trends in production and sales, it is likely that stock levels remain at or near those prevailing in 1949.

INDONESIA: Palm oil and palm kernel exports, January-June
1950 with comparisons

(Short tons)

Country	Palm oil			Palm kernels		
	Average: 1935-39:	1949	Jan.-June 1950 1/	Average: 1935-39:	1949	Jan.-June 1950 1/
Canada.....	1,642:	-	-	-	-	-
Cuba.....	1,256:	-	-	-	-	-
United States.....	127,650:	10,816:	-	1,238:	-	-
Belgium.....	215:	-	-	267:	-	-
Czechoslovakia.....	-	-	-	1,932:	-	-
Denmark.....	-	-	-	15,677:	1,120:	-
Germany.....	3,163:	4,469:	1,258	3,018:	9,964:	3,053
Italy.....	9,864:	542:	-	1,050:	-	-
Netherlands.....	49,003:	67,731:	25,931	17,249:	9,633:	8,231
Sweden.....	-	361:	-	2,948:	571:	-
United Kingdom.....	12,511:	23,177:	17,693	308:	10,297:	-
China.....	1,442:	-	-	-	-	-
India.....	635:	-	-	-	-	-
Japan.....	257:	5,185:	-	-	-	-
Singapore.....	2,014:	-	1	-	-	-
Union of South Africa	2,583:	-	-	-	-	-
Others.....	450:	-	-	447:	-	-
Total.....	212,685:	112,281:	44,883	44,134:	31,585:	11,284

1/ Preliminary.

Source: American Embassy, Jakarta.

Palm oil and palm kernel prices are not quoted locally, but reports indicate that, allowing for the value of the foreign exchange certificate on exports, the price of palm oil has increased 25 percent since the first of the year.

MADAGASCAR REDUCES EXPORT TAX ON TUNG OIL

Effective August 28, 1950, Madagascar reduced the export tax on tung oil from 7 to 4 percent advalorem on f.o.b. prices.

Statistics regarding 1950 production and exports have not been received, but in 1949 Madagascar exported 53 short tons of tung oil--all to France. Production in 1949 was reported at about 1,800 tons of tung nuts.

LIVESTOCK AND ANIMAL PRODUCTS

U. K. LIVESTOCK NUMBERS, EXCEPT HORSES, CONTINUE UPWARD TREND

Livestock numbers, except for horses, in the United Kingdom in June 1950 showed an increase over a year earlier. Total cattle numbers were 3 percent larger than comparable 1949 and 20 percent above the June 1939 level. While the number of dairy cows in June 1950 showed a gain of 74,000 head from a year earlier, total dairy cattle numbers were less than 1 percent above June 1949 numbers.

Although hog numbers were about 5 percent above the preceding year, present numbers are more than 30 percent below the prewar level. The number of sows for breeding was 11 percent above June 1949 numbers, but still about 30 percent below June 1939. Pigs under 2 months and from 2 to 5 months showed increases of 8 and 10 percent, respectively, from the preceding year.

Sheep numbers were about 5 percent higher in June of this year, but only 76 percent of the June 1939 level. The number of horses, on the other hand, continued to decline and were about one-half of prewar numbers.

(See accompanying table on following page)

UNITED KINGDOM: Livestock on farms, June 1950,
with comparisons

Classification	1939	1948	1949	1950 1/
	Thousands	Thousands	Thousands	Thousands
<u>Cattle</u>				
Dairy cows	3,320	3,583	3,690	3,764
Heifers in calf	564	907	911	858
Bulls	114	189	180	172
Other Cattle:				
Two years and over	1,229	1,505	1,506	1,589
Yearlings	1,867	1,603	1,796	1,974
Calves under 1 year	1,778	2,019	2,161	2,253
Total cattle	8,872	9,806	10,244	10,610
<u>Hogs</u>				
Breeding sows	542	318	345	384
Pigs:				
5 months and over	767	483	777	743
2 months and under 5	1,872	836	1,101	1,190
Under 2 months	1,179	472	555	611
Boars	34	42	45	46
Total hogs	4,394	2,151	2,823	2,974
<u>Sheep</u>				
Ewes for breeding	10,975	7,545	7,746	8,085
Rams	316	222	239	246
Lambs under 1 year	12,102	7,708	8,359	8,729
Other sheep	3,494	2,689	3,149	3,406
Total sheep	26,887	18,164	19,493	20,466
<u>Horses</u> - Total	1,084	703	618	548

1/ Preliminary.

Compiled from official sources.

HONG KONG RECEIVES LARGER EGG SUPPLIES FROM CHINA

Hong Kong is receiving larger supplies of shell eggs from North China and prices paid for these imports have declined. It is estimated that about 38 million eggs are received in Hong Kong each month for consumption or re-export. The re-export trade in shell eggs has been developing especially with the Philippines and Malaya.

Hong Kong has been receiving about 70 percent of its egg imports by water transportation from Northern China during 1950. The imports during 1949 were from more southern inland sources and were transported by rail which resulted in a breakage of up to 20 percent while in transit. Breakage during water shipment from North China has been around 5 percent.

Wholesale price of eggs in Hong Kong at the beginning of 1950 was 18 cents a dozen. The large supply had depressed the price to 12 cents per dozen in May but by July it had returned to 15 cents a dozen.

There are 2 egg processing factories in Hong Kong which were established in 1949. Both factories have only modest operation but have continued to be active. The eggs from China are of poor quality and considered almost inedible by Europeans. Supplies of better quality eggs are obtained through imports from Australia or from local production.

AUSTRALIAN WOOL EXPORTS SHOW INCREASE

Total exports of all classes of Australian Wool for the year ended June 30, 1950 amounted to 1,227 million pounds as compared with 1,138 million pounds in the previous year. Of this total 1,060 million pounds were greasy wool, 120 scoured and washed, 30 carbonized, 3.7 noils, 3.9 tops and 9.1 waste. Exports were valued at 314,429,000 Australian pounds (about \$702,000,000) or about 83,033,000 Australian pounds (about \$185,000,000) more than in 1943-49.

Of the greasy wool shipments, 118 million pounds were shipped to the United States, 378 to United Kingdom, 143 to France, 121 to Belgium, 67 to Italy, 53 to Germany, 55 to Japan, 37 to Poland and 34 to the Soviet Union.

Exports to France, Italy, and the Soviet Union were substantially less than in the 12 months ended June 30, 1949.

LONDON WOOL SALES AFFIRM HIGH PRICES

The current high wool prices were affirmed and increased slightly at the opening week (September 18-22) of the fifth series of London Wool Sales. Average prices since the auctions opened in Australia have been about 8 times their prewar average and double that of a year ago.

Good medium fleeces, 64's-70's, clean basis averaged \$2.86 per pound last week compared to \$1.99 at the last auction in July; 56's fine crossbred averaged \$1.99 compared with \$1.24 and 46's crossbred averaged \$1.67 compared to \$.90. Strength of the market was apparent from the first day, with strong competition from the Continent, United States and Bradford.

Offerings at the series totaled 89,780 bales, made up of about equal amounts of Joint Organization stocks and direct shipment, compared to 136,450 bales same series last year.

ARGENTINE WOOL EXPORTS UP

Argentine wool exports for the period October 1, 1949 to July 31, 1950 were more than double the amount exported in the same period a year earlier. Exports to all destinations for the period were 328 million pounds compared to 143 million pounds from October 1, 1948 to July 31, 1949.

Exports to the United States totaled 213 million pounds and about 50 million pounds went to France. Italy received about 18 million pounds, Belgium about 8, Germany about 7 and most of the balance was shipped to other European countries.

SOUTH AFRICAN WOOL CLIP ESTIMATE REVISED

Well informed trade sources estimate that the 1950-51 wool production in South Africa will be about 5 percent greater than during the past season. This generally concurs with the South African Wool Disposals Organization's estimate that production this season will be about 220,000,000 pounds as compared with the 217,500,000 pounds during last season. In addition, it is estimated that 7,000,000 pounds of wool will be exported on skins this season.

The estimates this year were difficult to arrive at owing to drought, loss of stock and the fact that during the past season no regular shearing dates were practised which resulted in a larger amount of short wool.

Since last October, rains throughout the Union have resulted in improvement in pastures and in the condition of the flocks. As a result it is expected that fleeces will be heavier, more lambs will be produced and fewer sheep will be slaughtered.

The Merino and Karakul clips are expected to increase while the Native clip will be considerably less than during the past season.

CUBA REDUCES SALES TAX ON POULTRY FEED

The Cuban Ministry of Finance recently published Customs Circular No. 112 on August 24 reducing the gross sales tax from 9 to 6 percent on the following specified poultry feeds: Starter and growing mash; laying mash containing 20 percent protein, broiler ration; balanced grains; broiler ration containing sulfaquinoxaline and pigeon feed.

The reduction in the tax collected on both locally-produced and imported poultry feeds is consistent with the Government policy to stimulate indigenous production of eggs and poultry. The action was encouraged by a petition from Cuban poultrymen.

GRAINS, GRAIN PRODUCTS AND FEEDS

BURMA MAINTAINS RICE EXPORTS

Rice exports from Burma during 1950 may approach the 1949 total of around 2,600 million pounds in terms of milled, according to D. Klein, American Embassy, Rangoon. Although only 270 million pounds were recovered in the Prome area as compared with the expected estimate of up to 450 million pounds, sizable quantities were procured in other areas recently reoccupied by Government forces.

Despite the fact that the Burman Government has a greater area under its control this year, the 1950-51 crop is expected to be smaller than production last season. Conditions of cultivation reportedly are becoming increasingly difficult as a result of anti-Government guerrilla fighting.

The Government is already arranging the sales of the new crop. Ceylon has already formally agreed to purchase 670 million pounds, and other countries reportedly are earmarking large quantities. The 1950 price schedule is providing the basis for negotiation and the State Agricultural Marketing Board is using a working figure of 2,000 million pounds as the exportable supplies of 1951.

BURMA: Rice (milled) exports by country of destination,
January-June 1950, with comparisons

Country of destination	Average	1947	1948	1949 1/	January-June 1/	
	1936-1940				1949	1950
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
ASIA						
India.....	3,532	767	1,110	837	672	119
Ceylon.....	807	246	684	594	399	455
Malaya.....	508	298	443	326	259	52
Indonesia.....	156	106	132	297	148	160
Borneo.....	2/	10	23	2/	2/	2/
Hong Kong.....	2/	207	82	38	28	18
China.....	117	126	136	89	69	2/
Korea.....	3/(233	0	0	2/	2/	2/
Japan.....	(0	2/	122	2/	250
Pakistan.....	4/	2/	2/	125	39	2/
United Kingdom:	128	6	76	63	6	10
Other Europe...	497	0	5	2/	2/	2/
Mauritius.....	61	0	25	2/	2/	2/
Taiwan.....	2/	2/	2/	2/	2/	68
Other countries....	465	13	9	141	79	179
Total.....	6,504	1,779	2,725	2,632	1,699	1,311

1/ Preliminary. 2/ Not separately reported. 3/ To Japan, Korea and Taiwan. 4/ Included in imports into India.

Compiled from Embassy reports.

CANADIAN RICE
IMPORTS INCREASE

Canada's rice imports during the first half of 1950 totaled 42 million pounds of the type classified as uncleaned, unhulled, and paddy and 2 million pounds of cleaned, compared with 34 million pounds of uncleaned rice and 0.2 million pounds of cleaned during the same months of 1949. For the first time since the beginning of World War II rice was imported from countries other than the United States. These imports consisted of 12.7 million pounds from Thailand and 2.2 million pounds from Egypt of the type classified as uncleaned, unhulled, and paddy. Imports from the United States totaled 27 million pounds of this type compared with 34 million pounds during the same months a year earlier.

CANADA: Rice imports, by country of origin,
January-June, 1950, with comparisons

Type and Year	Country of origin						Total
	United States	British Indies	Burma	Hong Kong	Japan	Thailand	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
<u>Uncleaned 1/</u>							
1938.....	14.6	5.8	12.0	5.6	6.1	0	45.6
1939.....	17.2	5.2	27.4	4.5	5.1	3.0	62.8
1940.....	16.8	2.5	12.1	3.5	1.9	2.1	47.0
1941.....	36.6	3.1	0	0	3/	0	54.0
1947.....	54.1	0	0	0	0	0	54.1
1948.....	59.7	0	0	0	0	0	59.7
1949.....	50.1	0	0	0	0	0	50.1
1950 -							
Jan.-June....	27.0	0	0	0	0	12.7	41.9
<u>Cleaned</u>							
1938.....	7.0	0.3	0	5.5	0	0	13.7
1939.....	7.4	0.6	0.1	6.3	3/	0	17.3
1940.....	5.4	1.9	1.2	6.9	3/	0	15.5
1941.....	5.8	2.0	0.4	5.2	3/	0	14.0
1947.....	3.3	0	0	0	0	0	3.3
1948.....	0.5	0	0	0	0	0	0.5
1949.....	0.6	0	0	0	0	0	0.6
1950 -							
Jan.-June....	1.7	0	0	0	0	0	1.7
1/ Uncleaned, unhulled, paddy. 2/ From Brazil. 3/ Less than 500,000 pounds. 4/ 8.4 million pounds from Mexico, and 5.4 million from Brazil. 5/ From Egypt.							

Source: Trade of Canada

COSTA RICA INCREASES RICE PRODUCTION

The 1950-51 rice crop of Costa Rica is forecast at 60 million pounds of rough rice, a substantial increase over a year earlier, according to Edward L. Tanner, Agricultural Attache, American Embassy, San Jose. Exceptionally good weather thus far has placed the crop in an advantageous position, and a bumper harvest is in prospect if rains are normal until the end of November.

The country's rice acreage and yields per acre have increased markedly in the past 2 years. Many farmers having small acreages have doubled plantings to 7 or 9 acres, and large producers have increased to 15 or 20 acres. Growers have also begun to use fertilizers and practice improved cultural methods as taught by the new agricultural extension service of the Institute of Inter-American Affairs. Large producers also have installed modern machinery.

If prospects for a large crop materialize, production may supply the normal consumption requirements. Rice consumption in the last 2 years, however, has increased reportedly because of increased earning power from higher coffee prices. With the almost doubled price of coffee, about 37 million pounds of rice were utilized compared with around 27 million pounds in the prior years. Rice imports since 1940 have ranged between less than 1 million and 10 million pounds in terms of milled rice.

AUSTRALIA'S WHEAT PROSPECTS FAVORABLE

The current outlook is for another above-average wheat crop in Australia, provided timely and adequate rains fall during the remainder of the growing season, according to the American Consulate General at Sydney. Conditions have been variable, with excessive moisture in New South Wales and Queensland early in the season, contrasting with generally below-average rainfall in other States.

A reduction of about a half-million acres is reported from last year's wheat acreage for the country. The bulk of the reduction occurred in New South Wales, according to preliminary estimates of wheat acreage. Current seedings there for all purposes are down about 15 percent from the 1949 acreage. Small reductions are reported for Queensland and South Australia, but these are offset by an increase in Western Australia.

The reduction in New South Wales' wheat acreage is attributed to prolonged wet conditions at seeding time as well as to a planned cut. The reduction was greatest in the northern section of the State. August brought some relief from the wetness and conditions were generally favorable over most of the wheatlands at the beginning of September. Crops sown on poorly drained land, however, were backward and growth patchy. This State is the ranking producer of the country.

Little change from last year's acreage is noted for Victoria, normally the second wheat producer. Germination has been generally good, and crops have made satisfactory growth despite below-average rainfall in June and July.

The crop was well established and had made satisfactory growth in South Australia at latest report. Sub-soil moisture supplies were short in some areas, however, and further rains were needed to maintain the crop condition. This State had been the third important producer until 1947-48 when expansion in Western Australia put it in third position where it remains. Conditions there were similar to South Australia's at the beginning of September, with sub-soil reserves low and rains needed to maintain satisfactory condition.

Some increase in wheat acreage was expected in Queensland, but abnormal rains in June and July curtailed seeding and resulted in a decline of about 7 percent. Wheat, as a whole, was in good condition at the beginning of September.

COTTON AND OTHER FIBER

CHILE EXPANDS COTTON TEXTILE INDUSTRY

Cotton consumption in Chile reached a record level of 80,000 bales (480 pounds net weight) during the 1949-50 season, according to Philip M. Davenport, Agricultural Attache, American Embassy, Santiago. This is a 24 percent increase over the 64,300 bales consumed in 1948-49 and far above the 20,000 bales consumed in the prewar year 1938-39.

The increase in consumption in the past few seasons has been made possible by increased capacity. The number of spindles in cotton mills has increased from 45,000 in 1940 to 174,000 in 1949. The greatest increase occurred during 1947 and 1948. Another large new mill, expected to be in full operation by the end of the year, will increase the industry's capacity considerably but this is expected to complete the major postwar expansion. Before the war Chile purchased large quantities of cotton textiles abroad but now, on a quantitative basis, at least, the textile industry should be able to meet the needs of the country in full. In point of quality, however, the industry is as yet unable to satisfy requirements for the finer materials and special fabrics. Imports of cotton piece goods and yarns will continue to decline as domestic manufacturers find themselves in position to fill these national requirements. There appears to have been some shift in consumers' preference over the last 5 or 6 years from better cottons to rayon and fine worsted materials, but this has not affected demand for the coarser materials which are the mainstay of the Chilean cotton industry.

Imports of raw cotton into Chile during the 1949-50 season were reported at 80,000 bales of which about 45,000 bales came from the United States. Peru and Brazil shared most of the remainder of the market in about equal proportions. In May of 1950 about 40,000 bales of Egyptian cotton were reported purchased for delivery in September, October, and November of 1950. So far as is known no large quantity of Egyptian cotton had been previously used in Chile. Egypt in turn contracted to purchase Chilean nitrate, the balances arising from the transaction to be settled in sterling.

Interest in growing cotton commercially in Chile has developed during the last few years. Cotton would furnish an additional crop for farmers who have been encouraged by the success that has attended the introduction of such new crops as rice and sunflower seed. Domestic production of cotton would also make available for other purposes the large sums of foreign exchange now expended on cotton imports.

The Ministry of Agriculture and the trade associations of cotton manufacturers are carrying on experiments in cotton growing with varying results. Insufficient summer heat appears to be the principal obstacle to cotton growing in central Chile and in the north water supplies are insufficient to permit large plantings. However, it has been shown that cotton will mature satisfactorily in a few particularly warm localities.

COTTON CONSUMPTION RECOVERING IN CUBA

Cotton consumption in Cuba has been reported at 27,085 bales (500 pounds gross weight) for the 1949-50 season or an increase of 7,200 bales over the 19,862 bales consumption during the previous season, according to Louis C. Nolan, U. S. Agricultural Attache in Habana, Cuba. Although this is a 14 percent increase over the low level of consumption in 1948-49 this is still under the postwar peak when 30,000 to 36,000 bales were consumed in the period 1945 to 1948.

This increase in consumption over the previous season was due to the improvement in conditions that had depressed consumption in 1948 and 1949. These include absence of strikes and other serious labor disturbances, and a stronger and more sustained market for domestic textiles. This better and more effective demand was due to well-sustained purchasing power of Cuban consumers generally and some lessening in competition from imported textiles which in turn resulted from more rigid customs inspection of imports. The increased sales of cotton textiles caused a sharp reduction of heavy textile inventories that had depressed the textile market through much of the previous season.

During the 1948-49 marketing year each of the 3 cotton spinning mills operating in Cuba closed down completely during part of the year and seldom, if ever, worked at full capacity. In contrast during the past season the mills operated throughout the year at two-thirds to four-fifths of capacity.

Cuba imported 28,175 bales of cotton during the 1949-50 season according to industry sources. About two-thirds of the raw cotton imports were from the United States and one-third from Mexico. The fact that Mexican cotton is usually quoted from 90 to 100 points lower than United States cotton and could be secured quickly and in small lots made Mexican cotton a formidable competitor for the Cuban market during the past season. With the short crop in the United States this season, imports of Mexican cotton are expected to increase.

Effective local demand for domestic cotton textiles is heavier now than for many months. However, the cotton textile producers have been proceeding cautiously and have avoided building up of heavy inventories of textiles and have limited their purchases and imports of cotton to their short-term requirements. This caution apparently arises from uncertainties as to the extent to which competition from imported textiles may limit their market and to the perennial labor problem. These operators are afraid that living costs may again start rising, bringing on demands for higher wages and another round of labor disturbances. The industry fears that increased wages coupled with present high raw cotton prices would cause an increase in retail prices that would encounter strong consumer resistance.

Aside from the business uncertainties associated with the above-mentioned factors the disposal of virtually all of the large 1950 Cuban sugar crop at excellent prices has given a firm tone to Cuban business in recent weeks. A returning confidence in business conditions and the stability in the textile market, the substantial wage subsidy which the government has granted the industry, and the continued government efforts to lessen competition from imported textiles give a much brighter outlook for the industry than existed a year ago.

COTTON-PRICE QUOTATIONS
ON WORLD MARKETS

The following table shows certain cotton-price quotations on foreign markets converted at current rates of exchange.

COTTON: Spot prices in certain foreign markets, U. S. gulf-port average, and taxes incident to exports

Market location, kind, and quality	Date 1950	Unit of weight	Unit of currency	Price in foreign currency	Equivalent U.S. cents per pound	
					Spot	Export and inter- mediate taxes
<u>Alexandria</u>		Kantar				
Ashmouni, Good	9-28	99.05 lbs.	Tallari	89.05	51.62	5.91
Ashmouni, FGF	"	"	"	(not quoted)		
Karnak, Good	"	"	"	98.90	57.33	5.91
Karnak, FGF	"	"	"	(not quoted)		
<u>Bombay</u>		Candy				
Jarila, Fine	"	4784 lbs.	Rupee	770.00	20.50	5.32
Broach Vijay, Fine	"	"	"	840.00	22.36	5.32
<u>Karachi</u>		Maund				
4F Punjab, SG, Fine	9-27	82.28 lbs.	"	112.50	41.25	4.62
289F Sind, SG, Fine	"	"	"	114.50	42.98	4.62
289F Punjab, SG, Fine	"	"	"	120.00	44.00	4.62
<u>Buenos Aires</u>		Metric ton				
Type B	9-28	2204.6 lbs.	Peso	4400.00	39.92	3.87
<u>Lima</u>		Sp. quintal				
Tanguis, Type 3-1/2	9-26	101.4 lbs.	Sol	510.00	33.06	17.27
Tanguis, Type 5	"	"	"	438.00	31.64	15.82
Pima, Type 1	"	"	"	608.00	39.42	22.44
<u>Recife</u>		Arroba				
Mata, Type 4	9-28	33.07 lbs.	Cruzeiro	270.00	44.42	5.40
Sertao, Type 5	"	"	"	285.00	46.89	5.70
Sertao, Type 4	"	"	"	295.00	48.53	5.90
<u>Sao Paulo</u>						
Sao Paulo, Type 5	"	"	"	278.00	45.74	2-1/2% ad
<u>Torreón</u>		Sp. quintal				valorem
Middling, 15/16"	"	101.4 lbs.	Peso	320.00	36.52	4.20
<u>Houston-Galveston-New Orleans av. Mid. 15/16"</u>	"	Pound	Cent	XXXXX	40.53	----

Quotations of foreign markets and taxes reported by cable from U. S. Foreign Service posts abroad. U. S. quotations from designated spot markets.

CANADIAN POTATO SURPLUS--(Continued from Page 297)

at 60.4 million bushels as compared to 51.9 million bushels in 1949, an increase of 8.5 million bushels.

Thus, while the pressure to ship potatoes out of the Maritimes is lessened from last year by the 5.4 million bushels, the attraction to ship Maritime potatoes into central and western provinces is also lessened by the increase of 8.5 million bushels there. The central and western increase more than offsets the Maritime decrease. However, the central and western provinces take annually about 6 million bushels from the Maritimes, apparently regardless of large western production. In 1948-49 when potato production in the central and western provinces was as high as in 1950, shipments from the Maritimes to these provinces reached 5.7 million bushels. In 1949-50 they reached 9.4 million bushels. In the period 1943-44 to 1946-47 these intra-provincial shipments averaged 6.5 million bushels annually.

Thus, if in the current season the Maritimes utilize the average of 16 million bushels domestically as in other recent years, (see Table), and if shipments to the central and western provinces reach the normal of 6 million bushels as in 1943-44 through 1948-49, there would be available for export from the Maritimes in 1950-51 about 10 million bushels. This would be 1 to 1.5 million bushels less than were exported in either of the last 2 seasons. The combination of less exportable potatoes in Canada and lower prices in the United States could mean a material decrease of Canadian exports to the United States this winter.--By Orval E. Goodsell.

WORLD COTTON PRODUCTION--(Continued from Page 299)

Stocks in Africa were down by about 100,000 bales due largely to a reduction in old-crop stocks in Egypt.

World cotton export trade, amounting to about 12.3 million bales in 1949-50, was 1.6 million bales larger than in 1948-49. United States exports increased from 4,747,000 to 5,770,000 bales, an increase of 1,023,000 bales. Exports from Mexico rose from 239,000 to 677,000 bales. Pakistan increased cotton exports from 660,000 to 891,000 bales and Turkey from 135,000 to 239,000 bales. Brazil's exports declined from 953,000 to 590,000. Changes in exports from other countries between 1948-49 and 1949-50 were relatively small.--By Charles A. Barber, based in part upon U. S. Foreign Service reports from areas referred to.

